

Phonex ready to plug into market

Phonejak eliminates more wiring for extensions

By ANTON GARRITY
Herald Staff Writer

An Orem-based phone jack company located in the old WordPerfect Corporation building hopes to have as much success with its new product as WordPerfect did with its.

Phonex Corporation, 768 S. 400 East, is getting ready to send its product out on the market in June. The company has developed and patented a phone jack system that may be used in any home and the phone itself can be moved anywhere within the home as long as there is an electrical outlet to plug the phone into, said president and chief executive officer of the new company, John Knab.

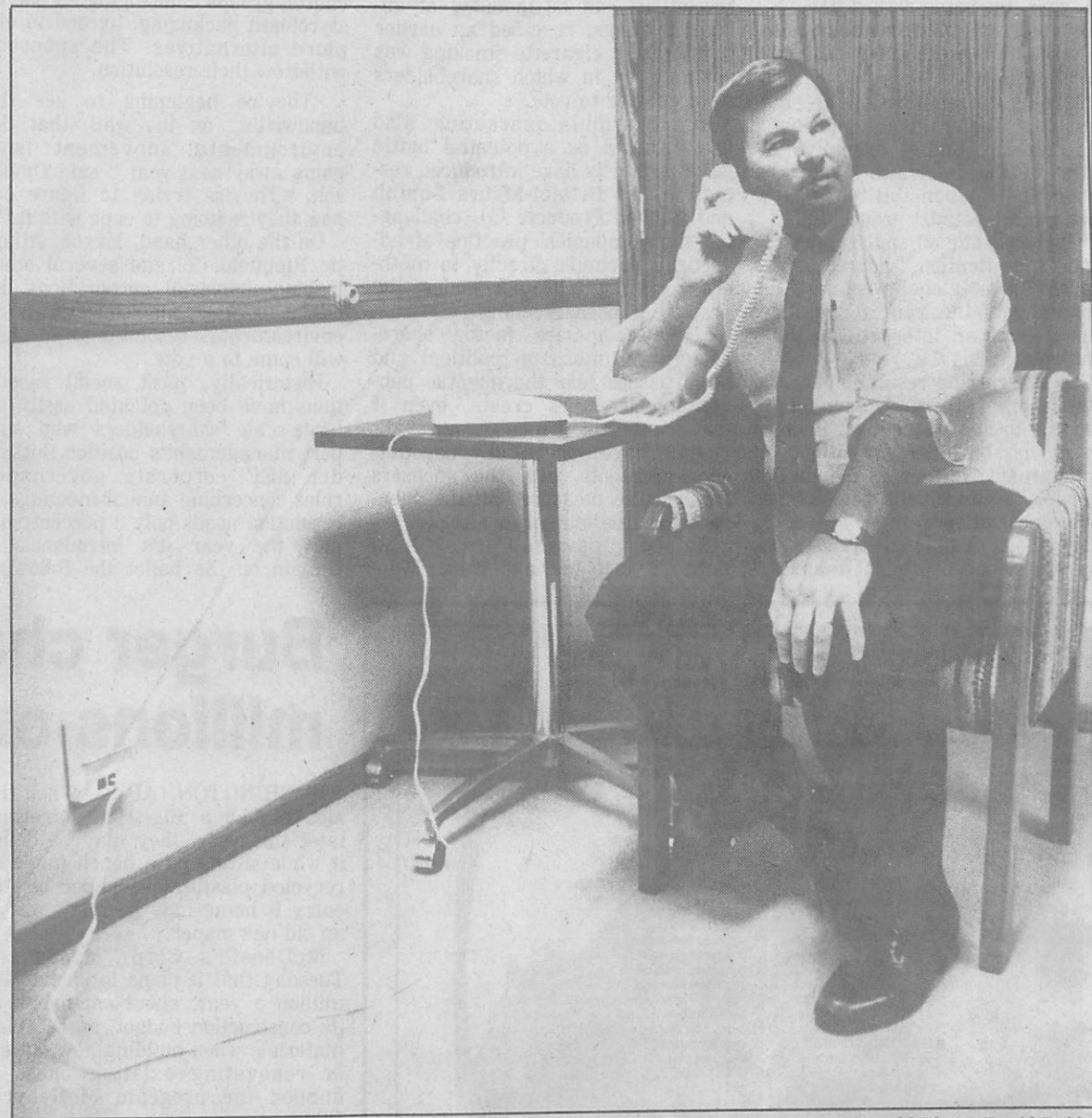
"We have been developing this product (wireless Phonejak) since July 1988," said Nick Smith, vice president of operations. "This is a product whose time has come."

There is one base jack which plugs into an existing phone jack and an electrical outlet. All other extensions may be plugged into any other existing electrical outlet and can be moved by simply unplugging a phone from one outlet and plugging it into another, said Smith.

"This will be a great asset to the phone companies, if someone wants another extension, all they need is another jack, they don't have to wait for a lot of expensive wiring to be done," Smith said. "This product has been tested in homes all over the country and is currently being tested at US West and AT&T Bell Laboratories."

When this product hits the market in June, it will be available at most major department stores. Answering machines, fax machines and computer modems can also be used through the Phonejak system, said Daniel R. Eichenberger, vice president of sales and marketing.

The product has received Federal Communications Commission approval and Phonex owns seven



Herald Photos/David Dahl

John Knab, president of Orem-based Phonex Corp., demonstrates how his new product allows phones to be plugged into ordinary electrical outlets in homes.

U.S. patents with three more pending. It also owns several foreign patents.

"We feel this is the most innovative concept with phones that has come out in recent years," Smith added. "We don't consider ourselves to be in competition with cordless phones because we're simply a phone jack and the signal is through wires and not through airwaves."

Steve Metcalf, chief financial officer, was just brought into the company April 2. He had been a senior manager in the Salt Lake City office of KPMG Peat Mar-

wick, which is one of the largest accounting firms, he said.

"I came to this company for the challenge and opportunity, I've always wanted to come to a small company and help it grow," said Metcalf. "I think the public will love this product. There's great sales potential."

Once a base unit is installed, a phone extension can be had anywhere, where and when its wanted because it's movable, said Dan Eichenberger, vice president of sales and marketing. "An extension can be taken anywhere within the electrical wiring that in-

cludes the base unit," Eichenberger said. "This is definitely a convenience product and our goal is to sell 100 million units within five years."

Phone companies are not threatened by this product, they want to embrace it, said Knab. "What we're offering, is the most significant change in phone systems in recent years," said Knab.

"I'm pretty excited about this product. I think with mass producing the price could come down to as little as \$40," said Robert Motzkus, director of network engineering for US West.

Business hot shareholder resolution item

sible investing.

"It's a sign of the work we've done," he said. "It's not that we're giving up on that issue."

South Africa remains the biggest single area of social investor attention, with about 120 resolutions filed this year, the same as last year.

By contrast, 45 environment-related resolutions were filed this year, vs. six in 1989.

"I think a combination of environmental factors is responsible," said Timothy Smith, executive director of the Interfaith Center on Corporate Responsibility, a New York church-activist group.

"Obviously the oil spill galvanized America's attention," he said. "The concern about global warming, the ozone layer, the rain forests, reminds us of an international environmental crisis."

Other recurring resolutions range from a moratorium on nuclear weapons to animal-testing bans to a review of business operations in British-ruled Northern Ireland. But a couple of important new themes have emerged as well.

The most notable are resolutions opposing tobacco product manufac-

turing and advertising, which are on the agendas of leading cigarette producers such as Philip Morris Cos., American Brands Inc. and Loews Corp.

The Securities and Exchange Commission, which oversees what resolutions can be included at annual meetings, reversed an earlier position that cigarette smoking was not an area in which shareholders were entitled to vote.

Infant-formula marketing also has surfaced as a potential battle issue. Activists have introduced resolutions at Bristol-Myers Squibb and Gerber Products Co. challenging the companies' practice of advertising formula directly to mothers, claiming it undermines the practice of breast-feeding.

Many companies facing shareholder resolutions on political and social issues fear the adverse publicity such issues create, even if they have little chance of approval.

Some have successfully negotiated settlements with the sponsors that get the measures off the agenda before the annual meetings.

Amoco, Chevron Corp., Mobil Corp., Texaco Inc. and Waste Man-

agement Co., for example, agreed to provide "report cards" on areas covered by the Valdez principles, and the sponsors agreed to withdraw their resolutions.

Fast-food giant McDonald's Corp., facing a resolution sponsored by church groups challenging its use of styrofoam packaging, agreed to explore alternatives. The sponsors withdrew their resolution.

"They're beginning to see the handwriting on the wall, that the environmental movement isn't going away next year," said Davidson. "They're trying to figure out how they're going to cope with it."

On the other hand, Exxon, Atlantic Richfield Co. and several other leading industrial corporations declined to make any concessions on environmental resolutions, so they will come to a vote.

Historically, most social resolutions have been defeated easily by large-scale shareholders who support management's position. But under SEC corporate governance rules concerning annual meetings, a resolution needs only 3 percent support the year it's introduced to remain on the ballot the following

year. The next year, it needs 10 percent of the vote, and 10 percent thereafter.

Of the total resolutions filed this year, a record 250 are likely to come to a vote, a 43 percent increase over 1989, when 175 of the 214 proposals filed were voted upon, Will said.

Some companies have been particularly singled out this year for what shareholder activists call unacceptable behavior regarding both South African involvement and the environment.

On Monday, for example, American Cyanamid Co., a worldwide pharmaceutical and pesticide producer, faces what organizers call a massive protest planned for its annual meeting in South Portland, Maine. Two South Africa divestment resolutions are on the agenda.

Activists contend the company has been dumping toxic byproducts such as mercury contaminants in South Africa, mistreating its black South African employees and selling products and services there to strengthen the apartheid system and racial segregation.



AP Laserphoto

ginia, there is a Wendy

her father R. Wendy, now 28 and expecting her first child.

Burger chain to spend millions on recycling

WASHINGTON (AP) — When the kids munch a Big Mac sometime later this year, they may be doing it while sitting on a bench made of recycled plastic. The paper bag to carry it home may be made out of an old newspaper.

McDonald's Corp., announced Tuesday that it plans to spend \$100 million a year, about one-fourth of its construction budget, on recycled materials when building new outlets or renovating existing ones. It dubbed the program McRecycle USA.

"We think there need to be markets created for recycled materials," Edward H. Rensi, president of McDonald's USA, said in a telephone interview from Oak Brook, Ill. "We decided to create a market."

Rensi said that in addition to seeking out recycled products when building new restaurants, the company plans soon to use recycled newsprint for carryout bags at about 500 of its outlets. If it works, the use of the newsprint will be expanded.

"They're not going to be as white as we necessarily would like, but they're going to be fully serviceable, the printing on them is just fine, and to be able to use ... newsprint is just fantastic," Rensi said.

The uses of recycled materials are numerous and not expected to cost significantly more, Rensi said. "We have a lot of opportunities."

He said some of the possible uses of recycled plastics and other materials are as barriers to keep cars from going onto the curb in parking lots, building insulation, mob buckets, menu boards, chairs, table signs and playground equipment.

McDonald's builds about 375 new restaurants each year and renovates an additional 1,000 of its 8,500 outlets annually.

Earlier this year, McDonald's announced a pilot program in some of its New England outlets that promotes the recycling of polystyrene food containers and other plastics.

"We think (the program) is working very well, but it can work a lot better because we've only got a few restaurants on the program right now. We hope to add about 500 restaurants a week and get up to 500 very soon," Rensi said.

Eventually the company hopes to expand the program to all of its restaurants.

But Rensi said McDonald's, which serves 22 million people daily worldwide and is one of the largest